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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR-1/73

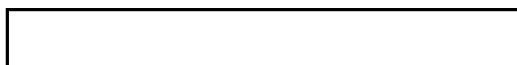
24 November 1958

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PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

Printed and Disseminated by the  
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Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010073-0

Summary of Events  
7 - 20 November 1958

The government of Iraq recently concluded an agreement with the USSR for the purchase of arms and military equipment. Soviet deliveries reportedly will include aircraft and heavy equipment for 2 infantry divisions and 1 armored brigade of the Iraqi Army. The first shipment will arrive at the port of Basra late in November.

Communist China has agreed to buy Egyptian cotton worth \$33.6 million and also is reported to have agreed to buy 10,000 metric tons of Syrian cotton.

Under an agreement recently signed, Czechoslovakia will supply Turkey with machinery and equipment for a porcelain plant at Bilecik and for a shoe factory at Istanbul. The agreement is the latest in a series of capital equipment deals between Turkey and the Bloc.

A barter agreement was concluded in mid-October between Hungary and a private Sudanese firm. Hungary will import Sudanese cotton worth \$1.7 million, and Sudan will import such products as tomato paste, tires and tubes, piece goods, and canvas rubber shoes. A similar agreement has been concluded with Communist China, and Sudan has announced that barter trade offers from Hungary, Czechoslovakia, Poland, Rumania, and Bulgaria have been accepted in principle.

recently signed an agreement with Czechoslovakia to purchase hospital equipment and supplies valued at \$2 million.

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On 16 November, Guinea concluded two agreements with East Germany. The first called for the exchange of Guinean bananas, coffee, and palm kernels for East German textiles and machinery. The second agreement is of a general nature and provides for East German technical and cultural aid if desired by Guinea.

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The efforts of Communist China to expand its exports in under-developed countries of South and Southeast Asia have caused increasing concern in Japan, Hong Kong, and India, whose export markets in these areas may be threatened. The principal techniques of this Chinese Communist program include price cutting, preferential banking practices, and intergovernmental trade and payments agreements.

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